

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUENOS 03055 022151Z

67

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 DODE-00 PM-03 H-02 L-02 NSC-05

PA-01 PRS-01 SS-15 USIA-06 STR-04 ABF-01 /087 W

----- 007476

P 022034Z MAY 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 1037

LIMITED OFFICIAL USE BUENOS AIRES 3055

E.O. 11652: N/A

TAGS: EGEN, AR

SUBJECT: ECONOMY MINISTER'S REPORT TO CONGRESS

REF: BA-2674

1. AVOIDING LITANY OF GLOWING ACCOMPLISHMENTS RECITED BY MANY OTHER MINISTERS, GOMEZ MORALES INSTEAD AT MAY 1 OPENING SESSION OF CONGRESS GAVE BRIEF AND SOMEWHAT SOMBER REPORT ON ECONOMIC DEVELOPMENTS IN 1974 AND PROSPECTS FOR 1975. TONE OF SPEECH CONTRASTED WITH MORE POSITIVE NOTE STRUCK BY OTHER CABINET MEMBERS. PRODUCE MORE AND BETTER AND SPEND LESS WAS BASIC THEME OF HIS MESSAGE. MINISTER WAS SURPRISINGLY OUTSPOKEN IN ATTRIBUTING BLAME FOR SOME CURRENT ECONOMIC PROBLEMS TO MISTAKEN POLICIES FOLLOWED BY HIS PREDECESSOR. HIGHLIGHTS AS FOLLOWS:

-----ARGENTINA CANNOT ESCAPE EFFECTS WORLD CRISIS WHICH NOW ADVERSELY AFFECTING ARGENTINA'S EXTERNAL COMMERCE AND BALANCE OF PAYMENTS. TO OVERCOME EXTERNAL PROBLEMS, GOA MUST FOLLOW AGGRESSIVE EXPORT EXPANSION POLICY. IMPORTS HAVE EXCEEDED REQUIREMENTS AND THUS PLACED UNDER CONTROL, BUT NEW REGIME WILL BE ESTABLISHED TO ENSURE ADEQUATE RAW MATERIAL SUPPLIES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUENOS 03055 022151Z

-----GDP GROWTH IN 1974 AT 7.2 PERCENT SLIGHTLY

EXCEEDED THREE YEAR PLAN TARGETS. NEVERTHELESS, EXPANSION
INFLUENCED BY SHARP INCREASE IN CONSTRUCTION ACTIVITY AND
DEVELOPED FROM SITUATION OF UNEMPLOYMENT AND UNDERUTILIZED
INDUSTRIAL CAPACITY WHICH NOW OVER. IN 1975, PLAN TARGETS
CAN ALSO BE MET BY RAISING PRODUCTIVITY AND INVESTMENT PRO-
VIDING GRAVE PROBLEMS IN EXTERNAL SECTOR CAN BE AVOIDED.
-----INVESTMENT POLICY REQUIRES APPROPRIATE BALANCE BETWEEN
SOCIAL AND ECONOMIC PURPOSES. INVESTMENT IN PRODUCTIVE PLANT
AND EQUIPMENT THUS FAR INSUFFICIENT AND MUST BE STIMULATED.
INDUSTRIAL AND MINERAL PROMOTION LAWS WILL BE IMPLEMENTED
BECAUSE THEY FAVOR BACKWARD REGIONS BUT SPECULATORS WHO SEEK
TO TAKE ADVANTAGE WILL NOT PROSPER.
-----PRESENT INFLATION NOT JUST MONETARY. INSUFFICIENT
PRODUCTION AND STRUGGLE AMONG DIFFERENT SOCIAL
SECTORS FOR INCREASED REAL INCOME ALSO PLAY IMPORTANT ROLE.
-----TO OVERCOME FISCAL DEFICIT, IT'S NECESSARY TO REDUCE
EXPENDITURES WITHOUT ADVERSELY AFFECTING INVESTMENT, AND ALSO
TO REVISE TAX SYSTEM AND ATTACK EVASION.
-----SEVERAL EMERGENCY MEASURES ARE INDISPENSABLE TO AVOID
ECONOMIC DOWNTURN AND UNEMPLOYMENT. COOPERATION AND CONCERTED
ACTION ARE REQUIRED TO IMPLEMENT THEM.
BEAL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ANTIINFLATIONARY PROGRAMS, ECONOMIC PROGRAMS, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUENOS03055
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750155-0385
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750583/aaaacygx.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 BA-2674
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 02 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 SEP 2003 by BoyleJA>; APPROVED <22 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONOMY MINISTER'S REPORT TO CONGRESS
TAGS: EGEN, EFIN, AR, (GOMEZ MORALES, ALFREDO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006